

Displaced workers of 1979–83: how well have they fared?

A total of 5.1 million had worked at least 3 years before being let go because of plant closings or job cuts; about 3.1 million had become reemployed by January 1984, although often earning less than in their previous jobs

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What happens to workers when recessions close their plants or severely curtail operations? And what happens to those who lose their jobs because of structural problems of the type that have recently affected some of our key manufacturing industries? How many of these workers manage to return to the same or similar jobs as economic conditions improve? How many remain without jobs or eventually settle for different and usually lower paying jobs?

In an attempt to obtain answers to these questions in connection with the 1980–81 and 1982–83 recessions, two agencies of the U.S. Department of Labor arranged for a special household survey in January 1984. Among the principal findings:

- A total of 11.5 million workers 20 years of age and over lost jobs because of plant closings or employment cut-backs over the January 1979–January 1984 period. Those who had worked at least 3 years on their jobs—the focus of this study—numbered 5.1 million.
- About half of the 5.1 million workers reported they had become displaced because their plants or businesses closed down or moved. Two-fifths reported job losses due to “slack work” (or insufficient demand), and the rest said their shifts or individual jobs had been abolished.
- About 3.5 million of the displaced workers had collected unemployment insurance benefits after losing their jobs.

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Nearly one-half of these reported they had exhausted their benefits.

- Many no longer had health insurance coverage, including some who subsequently found work.
- Of the 5.1 million displaced workers, about 3.1 million had become reemployed by January 1984, but often in different industries than in the ones they had previously worked. About 1.3 million were looking for work, and the remaining 700,000 had left the labor force.
- Of the 3.1 million displaced workers who were reemployed, about half were earning as much or more in the jobs they held when surveyed than in the ones they had lost. However, many others had taken large pay cuts, often exceeding 20 percent.
- Blacks accounted for about 600,000 of the 5.1 million displaced workers, and Hispanics made up 300,000. The proportion reemployed as of January 1984 was relatively small for both of these groups—42 percent for blacks and 52 percent for Hispanics. Conversely, the proportions looking for work were relatively high—41 percent for blacks and 34 percent for Hispanics.

These data are discussed in detail below, as are the concepts of displacement and how they were applied in this special survey.

The concept and the measurement

Concern over displaced workers began to grow during the early 1980's when it was feared that a large part of the

employment cutbacks taking place in some industries might be permanent, leaving many of the affected workers with little hope of reemployment in the same industry. The steel industry and the auto industry were prime examples of this type of situation. And many other manufacturing industries, particularly in the hard goods sector, were similarly affected by a combination of cyclical factors and such deep-seated structural problems as plants that were no longer competitive in the face of foreign imports.

Given this situation, it was feared that a large number of workers who had spent many years in relatively high-paying jobs would suddenly find themselves without work and with little hope of finding similar employment. These are the persons generally referred to as "displaced (or dislocated) workers." While there has never been a precise definition of such workers, the term is generally applied to persons who have lost jobs in which they had a considerable investment in terms of tenure and skill development and for whom the prospects of reemployment in similar jobs are rather dim.¹

Because there were only widely different estimates of a rather speculative nature as to the number of such workers as of late 1983, the Employment and Training Administration contracted with the Bureau of Labor Statistics to design a special survey to identify and count them. The survey was planned as a supplement to the Bureau of the Census' Current Population Survey (which provides the monthly estimates of unemployment). It was first of all decided to identify all adult workers who had lost a job over the 1979-83 period because of "a plant closing, an employer going out of business, a layoff from which . . . (the worker in question) was not recalled, or other similar reasons." For these workers, a series of questions would then follow to determine the precise reason for the job loss, the nature of the job in terms of industry and occupation, how long the workers had held the job, how much they had been earning, and whether they had been covered by group health insurance. Other questions focused on the period of unemployment which might have followed the job loss, including the receipt and possible exhaustion of unemployment insurance benefits, and the possible loss of health insurance coverage. If the worker in question was again employed at the time of the interview, additional information was sought on the earnings on the current job.

This sequence of questions yielded information that allowed much flexibility in deciding who among these workers could properly be considered as "displaced." Different cutoffs could be made in terms of the years of tenure on the job lost, the period of unemployment resulting, the extent of the cut in wages incurred in taking a new job, and other possible factors.

In publishing the preliminary results of the survey,² and in conducting the more detailed analysis discussed in this article, the only cutoffs that were made were those deemed absolutely necessary in order not to stray too far from the general consensus as to who is and who is not a displaced worker. Thus, an exclusion was first made with regard to workers whose job losses could not be categorized definitively as displacements—those attributed either to seasonal factors or to a variety of miscellaneous reasons that could not be easily classified. An additional exclusion was made with regard to all workers with less than 3 years in the jobs they had lost.

Table 1. Employment status of displaced workers by age, sex, race, and Hispanic origin, January 1984

(In percent)

Characteristic	Number (thousands) ¹	Total	Employed	Unemployed	Not in the labor force
Total					
Total, 20 years and over	5,091	100.0	60.1	25.5	14.4
20 to 24 years	342	100.0	70.4	20.2	9.4
25 to 54 years	3,809	100.0	64.9	25.4	9.6
55 to 64 years	748	100.0	40.8	31.8	27.4
65 years and over	191	100.0	20.8	12.1	67.1
Men					
Total, 20 years and over	3,328	100.0	63.6	27.1	9.2
20 to 24 years	204	100.0	72.2	21.7	6.1
25 to 54 years	2,570	100.0	68.2	26.8	5.0
55 to 64 years	461	100.0	43.6	34.1	22.3
65 years and over	92	100.0	16.8	12.9	70.3
Women					
Total, 20 years and over	1,763	100.0	53.4	22.5	24.2
20 to 24 years	138	100.0	67.8	18.0	14.2
25 to 54 years	1,239	100.0	58.0	22.6	19.4
55 to 64 years	287	100.0	36.3	28.0	35.7
65 years and over	99	100.0	24.6	11.3	64.1
White					
Total, 20 years and over	4,397	100.0	62.6	23.4	13.9
Men	2,913	100.0	66.1	25.1	8.8
Women	1,484	100.0	55.8	20.2	24.1
Black					
Total, 20 years and over	602	100.0	41.8	41.0	17.1
Men	358	100.0	43.9	44.7	11.4
Women	244	100.0	38.8	35.6	25.6
Hispanic origin					
Total, 20 years and over	282	100.0	52.2	33.7	14.1
Men	189	100.0	55.2	35.5	9.3
Women	93	100.0	46.3	30.0	23.6

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table 2. Employment status of displaced workers by industry and class of worker of lost job, January 1984

[In percent]

Industry	Number (thousands) ¹	Total	Employed	Unemployed	Not in the labor force
Total, workers 20 years and over ²	5,091	100.0	60.1	25.5	14.4
Nonagricultural private wage and salary workers	4,700	100.0	59.8	25.8	14.4
Mining	150	100.0	60.4	31.0	8.6
Construction	401	100.0	55.0	30.7	14.3
Manufacturing	2,483	100.0	58.5	27.4	14.1
Durable goods	1,675	100.0	58.2	28.9	12.9
Lumber and wood products	81	100.0	67.9	19.1	13.0
Furniture and fixtures	65	100.0	(³)	(³)	(³)
Stone, clay, and glass products	75	100.0	47.5	30.5	22.0
Primary metal industries	219	100.0	45.7	38.7	15.6
Fabricated metal products	173	100.0	62.0	32.2	5.8
Machinery, except electrical	396	100.0	62.3	27.4	10.3
Electrical machinery	195	100.0	48.2	34.5	17.3
Transportation equipment	354	100.0	62.6	26.0	11.4
Automobiles	224	100.0	62.9	24.0	13.1
Other transportation equipment	130	100.0	62.1	29.4	8.5
Professional and photographic equipment	54	100.0	(³)	(³)	(³)
Other durable goods industries	62	100.0	(³)	(³)	(³)
Nondurable goods	808	100.0	59.1	24.2	16.7
Food and kindred products	175	100.0	52.5	32.6	15.0
Textile mill products	80	100.0	59.8	26.2	13.9
Apparel and other finished textile products	132	100.0	63.0	14.2	22.8
Paper and allied products	60	100.0	(³)	(³)	(³)
Printing and publishing	103	100.0	58.0	22.9	19.1
Chemical and allied products	110	100.0	64.0	27.3	8.7
Rubber and miscellaneous plastics products	100	100.0	62.8	18.3	18.8
Other nondurable goods industries	49	100.0	(³)	(³)	(³)
Transportation and public utilities	336	100.0	57.9	26.8	15.3
Transportation	280	100.0	58.8	30.5	10.7
Communication and other public utilities	56	100.0	(³)	(³)	(³)
Wholesale and retail trade	732	100.0	61.4	21.6	16.9
Wholesale trade	234	100.0	69.6	22.0	8.4
Retail trade	498	100.0	57.6	21.5	20.9
Finance, insurance, and real estate	93	100.0	78.5	12.4	9.1
Services	506	100.0	65.0	20.5	14.5
Professional services	187	100.0	64.0	19.8	16.1
Other service industries	318	100.0	65.6	20.9	13.5
Agricultural wage and salary workers	100	100.0	69.9	22.9	7.2
Government workers	248	100.0	63.3	18.7	18.0
Self-employed and unpaid family workers	25	100.0	(³)	(³)	(³)

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

²Total includes a small number who did not report industry or class of worker.

³Data not shown where base is less than 75,000.

Summarizing the results of the survey, a total of 13.9 million workers 20 years of age and over were initially identified as having lost a job over the January 1979–January 1984 period because of plant closings, employers going out of business, or layoffs from which they had not been recalled. Further probing disclosed that about 2.4 million of this total had lost their jobs because of seasonal causes or a variety of other reasons which could not be easily classified. These were dropped from the universe to be examined.

Of the remaining 11.5 million workers, a large proportion had only been at their jobs for a relatively short time before they were dismissed. For example, 4.4 million had been at their jobs a year or less. To focus only on workers who had developed a rather firm attachment to their jobs, the universe to be studied was limited to those with at least 3 years of tenure on the jobs they lost. As noted, these numbered 5.1 million. Had a more liberal cutoff of 2 years been used as a parameter, the count of displaced workers would have been

raised to 6.9 million. On the other hand, the imposition of a 5-year cutoff would have lowered the total to 3.2 million.

Not all of the 5.1 million workers deemed to have been displaced should be regarded as having suffered serious economic consequences. While a great majority were indeed either still unemployed or had taken jobs entailing a drop in pay, or had left the labor force, there were also many for whom the job loss had been only a temporary setback. Some had apparently been out of work for only a very short period and, as already noted, many were actually earning more when surveyed than in the jobs they had lost. In short, while all of the 5.1 million workers had clearly been displaced from a job at some point over the 1979–83 period, not all could be properly regarded as being still “displaced” when surveyed in January 1984. And even among the majority for whom the “displaced” label was still applicable when surveyed, there were many who probably found suitable employment in subsequent months.

Who were the displaced?

A large number of the 5.1 million workers who had been displaced from their jobs fit the conventional description. They were primarily men of prime working age, had lost typical factory jobs, were heavily concentrated in the Midwest and other areas with heavy industry, and, if reemployed, were likely to have shifted to other industries. However, the universe also included persons from practically all industry and occupational groups, a large number of whom were women.

Age-sex-race-Hispanic origin. As shown in table 1, men 25 to 54 years of age accounted for nearly 2.6 million of the displaced workers, or slightly more than one-half. There were 200,000 men age 20 to 24, about 460,000 men 55 to 64, and 90,000 in the 65-and-over group. The younger the workers, the more likely they were to have found new jobs after their displacement. As shown in table 1, the proportion reemployed as of January 1984 ranged from a high of 72 percent for men age 20 to 24 to a low of 17 percent for those 65 years of age and over. Most of the men in the latter age group had apparently retired after losing their jobs.

The women who had been displaced from their jobs numbered nearly 1.8 million, with 1.2 million of them in the 25 to 54 age group. As indicated by table 1, these women were less likely than the displaced men to have returned to work as of January 1984 and were far more likely to have left the labor force regardless of their age.

About 600,000 of the displaced workers were black, and less than half of them were reemployed when interviewed (42 percent). The proportion unemployed was almost as large (41 percent). Hispanic workers accounted for about 280,000 of the displaced. For them, the proportion reemployed (52 percent) was higher than for blacks but considerably lower than for whites. Of the whites who had been displaced, over three-fifths were reemployed and less than a quarter were unemployed.

Industry and occupation. Nearly 2.5 million of the displaced workers, or almost one-half of the total, had lost jobs in manufacturing, an industry group that now accounts for less than one-fifth of total employment. Some of the key durable goods industries which were most severely affected by the recessionary contractions of demand as well as by more fundamental structural problems figured most prominently as the sources of displacements. There were, for example, about 220,000 workers who had lost jobs in the primary metals industry, 400,000 who had worked in machinery (except electrical), and 350,000 had been in the transportation equipment industry, with autos accounting for 225,000 of the latter. (See table 2.)

Reflecting primarily the long-lasting nature of the problems of the steel industry—and of the areas where its plants are (or were) located—less than one-half (46 percent) of

the workers who had been displaced from primary metal jobs were reemployed when surveyed. About 39 percent were unemployed, and 16 percent had left the labor force. However, the reemployment percentage for workers displaced from jobs in the nonelectrical machinery industry (62 percent) and the transportation equipment industry (63 percent) was considerably higher. But even among these workers, many were now working in different industries, and usually at lower wages.

While these troubled durable goods industries figured most prominently as sources of workers' displacements, it should be noted that other industries, both within and outside the manufacturing sector, had also contributed heavily to the problem. For example, 800,000 workers had been displaced from jobs in the various nondurable goods industries, 500,000 had been in retail sales, another 500,000 in services, and 400,000 in construction.

In terms of their occupational distribution, a large number of displaced workers (1.8 million) had lost jobs as operators, fabricators, and laborers—the typical jobs on a factory floor. But all occupational groups had contributed to the displacement problem. There were, for example, 700,000 persons who had lost managerial and professional jobs, 1.2 million who had been in technical, sales, and administrative jobs, and slightly over 1 million who had been in precision production, craft, and repair jobs. (See table 3.)

In general, the more skilled the occupation the more likely was the displaced worker to be reemployed. Thus, about 75 percent of those who had been in managerial and professional jobs were back at work when interviewed. In contrast, among the workers who had lost low-skill jobs as handlers, equipment cleaners, helpers, and laborers, less than one-half were working in January 1984.

Regional distribution. While displaced workers were found in all regions of the country, a particularly large number (about 1.2 million) was found to reside in the East North Central area, which includes the heavily industrialized States of the Midwest. (See table 4 for regional data and area definitions.) Another large concentration of such workers (800,000) was found in the Middle Atlantic area, which consists of New Jersey, New York, and Pennsylvania.

The severity of the job losses incurred in these two areas during 1979-83 was denoted not only by the relatively large numbers of displaced workers found within them in January 1984, but also by the fact that the proportion that had managed to return to work—either in their former jobs or entirely new ones—barely exceeded 50 percent. As a further indication of the seriousness of the displacement problem in the East North Central area, this region was found to contain nearly one-third of the displaced workers who were unemployed in January 1984 (400,000 out of 1.3 million), and almost one-half of them were reported as having been jobless 6 months or more.

Table 3. Employment status of displaced workers by occupation of lost job, January 1984

[In percent]

Occupation	Number (thousands) ¹	Total	Employed	Unemployed	Not in the labor force
Total, workers 20 years and over ²	5,091	100.0	60.1	25.5	14.4
Managerial and professional specialty	703	100.0	74.7	16.6	8.8
Executive, administrative, and managerial	444	100.0	75.7	15.6	8.7
Professional specialty	260	100.0	72.9	18.2	8.9
Technical, sales, and administrative support	1,162	100.0	60.6	21.1	18.3
Technicians and related support	122	100.0	67.9	25.3	6.8
Sales occupations	468	100.0	66.7	14.6	18.7
Administrative support, including clerical	572	100.0	54.1	25.5	20.5
Service occupations	275	100.0	51.0	24.1	24.9
Protective service	32	100.0	(³)	(³)	(³)
Service, except private household and protective	243	100.0	53.0	23.6	23.4
Precision production, craft, and repair	1,042	100.0	61.6	26.1	12.3
Mechanics and repairers	261	100.0	61.3	29.3	9.4
Construction trades	315	100.0	63.2	23.8	13.0
Other precision production, craft, and repair	467	100.0	60.8	25.8	13.4
Operators, fabricators, and laborers	1,823	100.0	54.6	31.6	13.7
Machine operators, assemblers, and inspectors	1,144	100.0	56.0	27.5	16.5
Transportation and material moving occupations	324	100.0	63.8	28.7	7.5
Handlers, equipment cleaners, helpers, and laborers	355	100.0	41.8	47.6	10.6
Construction laborers	55	100.0	(³)	(³)	(³)
Other handlers, equipment cleaners, helpers, and laborers	300	100.0	42.0	47.0	11.0
Farming, forestry, and fishing	68	100.0	(³)	(³)	(³)

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

²Total includes a small number who did not report occupation.

³Data not shown where base is less than 75,000.

Tenure on jobs lost. Many of the displaced workers had been at their jobs for many years. As seen below, of the 5.1 million total—all of whom had worked at least 3 years on the jobs they had lost—nearly one-third had spent at least 10 years in their jobs. Another third had been at their jobs from 5 to 9 years. The remaining third had lost jobs at which they had worked either 3 or 4 years. Not surprisingly, the older the displaced workers the more likely they were to report a relatively longer period of service in the jobs they had lost. This is clearly shown in the tabulation below, which gives the percent distribution of the displaced by age and years of tenure on the lost job:

Age	Total	Median years of tenure				Median years of tenure
		3 to 4 years	5 to 9 years	10 years or more	20 years or more	
Total, 20 years and over	100.0	36.2	33.6	30.2	8.8	6.1
25 to 54 years	100.0	37.9	36.9	25.1	4.7	5.8
55 to 64 years	100.0	15.5	23.2	61.3	27.9	12.4
65 years and over	100.0	14.6	31.1	54.2	30.0	11.9

As shown, while the overall median job tenure for the entire 5.1 million total was 6.1 years, median tenure for those 55 to 64 years of age was 12.4 years. Nearly one-third of the workers in this age group reported they had lost jobs in which they had spent 20 years or more.

The displacements and their aftermath

Various questions concerning the reasons for the displacements and what occurred in their aftermath were also

asked as part of the January 1984 survey. The data obtained through these questions are the focus of the following sections.

Reasons for dismissals. About one-half of the 5.1 million displaced workers reported they had lost their jobs because their plant or business had closed down or moved. Another two-fifths cited “slack work” as the reason (an answer which may be translated as insufficient demand for the products or services of the employer). The remainder reported simply that their individual jobs, or the entire shift on which they had been working, had been abolished. (See table 5.)

Older workers were most likely to have lost their jobs due to plant closings. Evidently, while their seniority protected their jobs in the face of such problems as “slack work,” it afforded little protection against the shutdown of their plants or the folding of their companies. The younger displaced workers, however, were about as likely to have lost their jobs due to slack work as due to plant closings.

Notification of dismissal. More than one-half of the displaced workers reported that they had received an advance notice of their dismissal, or that they had expected it. However, only 1 in 10 of these had apparently left their jobs before the actual dismissal occurred. (See table 6.)

Workers who reported that they lost their jobs because the plant or company closed or moved (61 percent) were more likely than workers who reported other reasons for job loss (52 percent) to respond that they received advance

notice or had expected a dismissal. But even among those whose plants had closed, only a little more than one-tenth reported that they had left their jobs before they ended.

Of the displaced workers who did leave their jobs before they were to be laid off, a substantially higher proportion were reemployed in January 1984 (79 percent) than was the case among those who were informed but stayed on (60 percent). The evidence here, therefore, adds some support for policies to encourage firms to provide early notification of layoffs; but, as noted, most workers remained on their jobs even with the advance notification.

Moving to another area. Only a small minority of the 5.1 million displaced workers (680,000) moved to a different city or county to look for work or to take a different job. However, of those who did move, a higher proportion were reemployed in January 1984—almost 3 in 4, in contrast to 3 in 5 of the nonmovers. (See table 7.) Men were more likely to move than women, and of the male movers, proportionately more were reemployed (77 percent) than was the case for their women counterparts (60 percent). Relatively few older workers relocated—only 6 percent among those 55 and over. However, even among them, about three-

fifths of those who moved were working again, a substantially higher proportion than for nonmovers.

Although the data point up the employment benefits of relocation, it should be recognized that there are important reasons for the reluctance of workers to move. Many have established community ties; they may own homes which are particularly hard to sell if located in a depressed area; and there may be family members who are still employed locally, thereby adding to the costs of a move. They may also not have sufficient information about job opportunities in other areas. Finally, it has been found that a sizable proportion of workers who do relocate are likely to return.³

A recently published guidebook for employers on managing plant closings estimates that only about 20 percent or fewer workers in a plant would consider relocating as part of their "reemployment strategy." The authors mention, for example, that only 20 percent of laid-off steelworkers from a Youngstown steel plant had moved out of the area; that only 20 percent of enrollees in the Job Search and Relocation Assistance Pilot Program of the U.S. Department of Labor, and only 6 percent of enrollees for Trade Adjustment Assistance, used the relocation assistance which was offered them.⁴

Table 4. Employment status and area of residence in January 1984 of displaced workers by selected characteristics

(Numbers in thousands)

Characteristic	Total ¹	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Workers who lost jobs										
Total	5,091	260	794	1,206	426	664	378	484	211	667
Men	3,328	155	530	772	282	428	236	347	152	427
Women	1,763	105	264	434	145	236	143	137	59	241
Reason for job loss										
Plant or company closed down or moved	2,492	118	410	556	208	339	204	231	103	323
Slack work	1,970	106	269	513	164	236	132	211	83	256
Position or shift abolished	629	36	115	138	54	89	42	42	26	88
Industry of lost job										
Construction	481	16	68	88	36	81	34	63	30	63
Manufacturing	2,514	158	414	658	210	296	189	215	58	315
Durable goods	1,686	94	260	514	137	175	107	142	40	218
Nondurable goods	828	64	154	145	73	122	82	73	18	97
Transportation and public utilities	352	14	61	83	34	34	33	41	19	32
Wholesale and retail trade	740	41	100	182	68	132	40	54	32	90
Finance and service industries	648	22	122	133	45	70	32	54	39	132
Public administration	84	2	10	22	5	13	4	8	5	16
Other industries ²	272	5	20	40	28	38	45	49	27	19
Employment status in January 1984										
Employed	3,058	171	428	621	276	461	209	344	148	399
Unemployed	1,299	48	225	400	96	117	113	85	33	181
Percent less than 5 weeks	22.1	(³)	24.1	21.2	13.0	29.4	17.3	25.4	(³)	18.4
Percent 27 weeks or more	38.8	(³)	36.8	47.2	47.5	25.5	51.7	29.8	(³)	28.0
Not in the labor force	733	41	141	185	54	85	56	55	30	86

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

²Includes a small number who did not report industry.

³Data not shown where base is less than 75,000.

NOTE: The following list shows the States which make up each of the geographical divisions used in this table: New England—Connecticut, Maine, Massachusetts, New

Hampshire, Rhode Island, and Vermont; Middle Atlantic—New Jersey, New York, and Pennsylvania; East North Central—Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; South Atlantic—Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central—Alabama, Kentucky, Mississippi, and Tennessee; West South Central—Arkansas, Louisiana, Oklahoma, and Texas; Mountain—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; Pacific—Alaska, California, Hawaii, Oregon, and Washington.

How long without work? On average, the displaced workers had spent nearly 6 months without work after they had lost their jobs. That is, the median period without work—which need not have been a continuous spell and could have included time spent outside the labor force—was 24.1 weeks. However, it should also be noted that about one-fourth of these 5.1 million workers were still jobless when surveyed. For many of them, the period of unemployment would obviously extend beyond the January 1984 survey period.

As has historically been the case for the unemployed in general, older workers were without work longer than their younger counterparts. For workers 55 years and over, the median period without a job was 30 weeks, while for workers 25 to 34 it was 22 weeks.

Workers who were no longer in the labor force in January 1984 had been without work many more weeks, on average, than those who were still looking for work (57 versus 32 weeks), while workers who were reemployed had spent far fewer weeks without a job (13). (See table 8.)

Receipt of unemployment insurance. The economic difficulties of most of the displaced workers were alleviated by their receipt of unemployment insurance benefits. Yet, while 3.5 million of the 5.1 million displaced workers had received such benefits, almost one-half had exhausted them by January 1984. (See table 9.) Understandably, the probability of exhausting one's benefits was closely tied to the length of one's period of unemployment, being very high for workers reporting more than 6 months (27 weeks) without work and much lower for those with only a short spell of joblessness.

A larger percentage of the workers who were unemployed in January 1984 had received unemployment insurance benefits—80 percent—than their counterparts who were either reemployed or had left the labor force—65 percent for both. Of the workers who had received benefits, the proportion that had exhausted them by January 1984 was about 50 percent for those still unemployed, 40 percent for those reemployed, and 70 percent for those no longer in the labor force.

Loss of health insurance. Because a large proportion of the displaced workers had held relatively "good" jobs in terms of pay and other benefits, a large majority of them had participated in a group health insurance program on these jobs. As shown in table 10, many of them no longer were covered under any plan when surveyed in January 1984.

Of the 3.1 million persons who were working again in January 1984, 2.5 million had been covered by group health insurance coverage on their lost jobs. Even among these, about 1 in 4 were no longer covered under a health plan in January 1984.

For the 1.3 million displaced workers who were jobless in January 1984 and who previously had been covered by

Table 5. Displaced workers by reason for job loss and by age, sex, race, and Hispanic origin

[In percent]

Characteristic	Number (thousands) ¹	Total	Plant or company closed down or moved	Slack work	Position or shift abolished
Total					
Total, 20 years and over	5,091	100.0	49.0	38.7	12.4
20 to 24 years	342	100.0	47.1	47.1	5.8
25 to 54 years	3,809	100.0	46.3	41.0	12.7
55 to 64 years	748	100.0	57.8	28.2	14.0
65 years and over	191	100.0	70.8	18.1	11.1
Men					
Total, 20 years and over	3,328	100.0	46.0	42.9	11.1
20 to 24 years	204	100.0	39.5	59.6	9
25 to 54 years	2,570	100.0	43.9	44.8	11.3
55 to 64 years	461	100.0	55.6	30.5	14.0
65 years and over	92	100.0	68.7	15.7	15.5
Women					
Total, 20 years and over	1,763	100.0	54.6	30.8	14.6
20 to 24 years	138	100.0	58.3	28.7	12.9
25 to 54 years	1,239	100.0	51.1	33.3	15.6
55 to 64 years	287	100.0	61.4	24.5	14.1
65 years and over	99	100.0	72.8	20.3	6.9
White					
Total, 20 years and over	4,397	100.0	49.6	37.9	12.5
Men	2,913	100.0	46.0	42.6	11.4
Women	1,484	100.0	56.7	28.7	14.6
Black					
Total, 20 years and over	602	100.0	43.8	44.7	11.6
Men	358	100.0	44.9	46.4	8.8
Women	244	100.0	42.2	42.2	15.7
Hispanic origin					
Total, 20 years and over	282	100.0	47.4	45.2	7.3
Men	189	100.0	48.1	43.8	8.1
Women	93	100.0	46.2	48.1	5.7

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

group health insurance, 60 percent no longer had any coverage at the time of the survey. For black unemployed workers previously covered, the uncovered proportion was 75 percent when surveyed.

In general, women were less likely than men to be left without any health insurance coverage after displacement, even if unemployed. This is probably because many of them had spouses who were working, and thus were likely to have been covered under the spouse's plan.

Among the previously covered displaced workers who were out of the labor force when surveyed, about 40 percent were not covered under any plan in January 1984. Again, for blacks the proportion who had lost all coverage was much larger—67 percent.

Some additional information on this topic is provided by

a University of Michigan survey conducted in 1983 in the Detroit area. This survey found that, of those persons who had been without work for only 3 months or less, about 30 percent had no health insurance coverage. In contrast, the uncovered proportion among those without work for more than 2 years was 55 percent. Almost four-fifths of those workers had previously had health insurance when employed. The male workers were more likely than their female counterparts to be without health insurance at the time of the survey.⁵

The new jobs

Of the 5.1 million displaced workers, 2.8 million who had been displaced from full-time wage and salary jobs were reemployed in January 1984. Among them, 2.3 million were again working at full-time wage and salary jobs, about 220,000 were in other types of full-time employment (mainly self-employment), and about 360,000 were holding part-time jobs. (See table 11.)

Many reemployed workers were in occupations different from those they previously had held. For example, among the workers who were employed in January 1984, about

525,000 had been in managerial and professional specialty occupations at their lost jobs. Of these, only about half were reemployed in such jobs. Similarly, about 640,000 had been in precision production, craft, and repair work at their lost jobs; among them only 360,000 were working again in these occupations in January 1984. (See table 12.)

Reemployed workers not only were working in different occupations, but also in different industries. For example, of the 980,000 displaced workers who had been in durable goods manufacturing, only about 40 percent were reemployed in these industries in January 1984. Similarly, about 35 percent of 493,000 workers were reemployed in non-durable goods manufacturing. In wholesale and retail trade, 50 percent of 455,000 were reemployed and in service industries, 46 percent of 347,000. The tabulation below shows the percentage reemployed by key industry group:

	Durable	Non-durable	Trade	Services
Durable goods	40	14	9	8
Nondurable goods ...	6	35	6	4
Wholesale trade	5	4	10	5
Retail trade	12	9	40	15
Service	16	19	17	46
Other industries	22	19	18	22

Table 6. Displaced workers¹ by age, whether they received advance notice or expected layoff, selected reason for job loss, and employment status, January 1984

(Numbers in thousands)

Characteristic	Total who lost jobs				Plant or company closed down or moved				All other reasons			
	Total	Employment status in January 1984			Total	Employment status in January 1984			Total	Employment status in January 1984		
		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force
All persons 20 years and over												
Total ¹	5,091	3,058	1,299	733	2,492	1,547	509	437	2,599	1,512	791	296
Received advance notice or expected layoff	2,870	1,715	709	446	1,525	945	297	283	1,346	770	412	163
Left before job ended	318	250	23	45	185	151	7	27	133	99	16	18
Did not leave before job ended	2,532	1,450	683	399	1,331	787	290	254	1,202	664	393	145
Did not receive advance notice or expect layoff	2,221	1,343	590	287	967	602	211	154	1,253	741	378	134
20 to 34 years												
Total	2,034	1,330	504	200	885	615	184	86	1,148	715	320	114
Received advance notice or expected layoff	1,160	771	274	114	550	393	100	58	609	379	174	56
Left before job ended	146	117	11	17	74	61	3	9	72	57	7	8
Did not leave before job ended	1,004	643	264	97	470	325	96	48	534	319	167	48
Did not receive advance notice or expect layoff	874	558	230	85	335	222	84	28	539	336	146	57
35 to 54 years												
Total	2,118	1,384	534	200	1,039	714	203	122	1,079	670	331	78
Received advance notice or expected layoff	1,183	784	284	115	626	439	115	71	557	345	169	43
Left before job ended	137	112	10	15	85	73	3	9	52	40	7	6
Did not leave before job ended	1,040	668	272	100	541	367	112	62	499	302	160	37
Did not receive advance notice or expect layoff	935	599	250	85	413	274	87	51	522	325	163	34
55 years and over												
Total	939	345	261	334	568	218	122	229	371	127	139	105
Received advance notice or expected layoff	528	160	151	217	349	113	82	154	179	47	69	63
Left before job ended	35	21	2	12	26	18	—	9	9	3	2	4
Did not leave before job ended	489	139	148	203	320	95	82	143	169	44	66	59
Did not receive advance notice or expect layoff	412	186	109	117	219	105	40	75	192	80	70	42

¹Data refer to persons with tenure of 3 years or more who lost or left a full-time wage and salary job between January 1979 and January 1984 because of plant closings

or moves, slack work, or the abolishment of their positions or shifts.

Table 7. Displaced workers by whether they moved to a different city or county to find or take another job, by age, sex, and current employment status, January 1984

[Numbers in thousands]

Age and sex	Nonmovers				Movers			
	Total	Employment status in January 1984			Total	Employment status in January 1984		
		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force
Total:								
Total, 20 years and over ¹	4,374	2,537	1,157	680	682	500	134	48
25 to 54 years	3,234	2,044	859	332	556	413	108	34
25 to 34 years	1,370	864	365	141	318	221	71	26
35 to 44 years	1,055	706	267	81	158	125	26	6
45 to 54 years	809	473	227	109	80	67	11	2
55 years and over	880	312	246	321	53	32	12	9
Men:								
Total, 20 years and over	2,784	1,700	800	284	519	401	96	21
25 to 54 years	2,114	1,399	609	107	440	342	78	19
25 to 34 years	936	616	270	50	262	191	55	16
35 to 44 years	671	459	189	23	117	98	18	2
45 to 54 years	507	324	150	33	61	54	5	2
55 years and over	510	191	155	164	38	24	12	2
Women:								
Total, 20 years and over	1,590	837	357	397	163	99	38	27
25 to 54 years	1,120	645	250	225	116	71	30	15
25 to 34 years	434	249	94	91	56	30	15	11
35 to 44 years	384	247	78	58	41	27	9	5
45 to 54 years	303	149	77	76	19	13	6	—
55 years and over	369	121	92	157	14	8	—	7

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

As shown, even among the nearly half a million reemployed who had been displaced from nondurable goods industries, only about one-third were again working in this industry group in January 1984. In fact, generally more than one-half of the displaced workers who were reemployed in January 1984 were no longer in the industry group from which they had been displaced.

Understandably, the workers who had been displaced from high-wage industries were most likely to have suffered a drop in earnings in taking a new job. For example, as seen below, for the 980,000 who had previously been in durable goods manufacturing, the median weekly earnings on the old jobs had been \$344. In contrast, the median for the jobs they held in January 1984 was only \$273. And it should be noted that these numbers, which are shown below for a few illustrative industries, understate the actual loss in purchasing power as they are stated in "current" dollars, that is, they do not take into account the effects of inflation:

Industry of lost jobs	Reemployed workers (in thousands)	Median weekly earnings	
		Lost job	Job held in January 1984
Durable goods	980	\$344	\$273
Primary metals	100	407	246
Transportation equipment	222	399	319
Nondurable goods	493	264	254
Textile mill products	48	181	187
Apparel and other finished textile products	83	202	197

As shown, workers who had been displaced from jobs in

nondurable goods manufacturing (made up primarily of lower paying industries) showed only slight declines, if any, between their earnings on their new and old jobs. For example, the median weekly earnings on their lost jobs were \$202 for workers in apparel and other finished textile products, while their earnings on their new jobs were \$197; for workers in textile mill products, their median earnings on their lost jobs were \$181, and on their new jobs, \$187.

Among the individual displaced workers who had previously been in full-time jobs in durable goods industries and who were again working full time in January 1984, about 40 percent had seen their weekly earnings drop by 20 percent or more. Yet, as seen in table 11, for those who had been displaced from jobs in other industries, the earnings in the new jobs compared more favorably with those in the old jobs.

Of the entire universe of about 2 million workers who were in full-time wage and salary jobs both before displacement and when surveyed—and who reported the earnings both for their old and new jobs—more than one-half (55 percent) were making as much or more in January 1984 than before displacement. These workers could, therefore, be seen as having readjusted rather well after their initial job losses. However, among these 2 million workers, there were also 900,000 who had taken some pay cuts, and for about 600,000 of these the cut was in the range of 20 percent or more.

In addition to the workers who had taken pay cuts although they were again working in full-time jobs, there were also, as already noted, a considerable number—about

360,000—who had gone from a full-time to a part-time job. Needless to say, these workers were even more likely to have suffered a considerable drop in weekly earnings after their displacement. When these are added to our universe, we can conclude that at least one-half of the displaced workers who were reemployed in January 1984 were earning less than in the jobs they had lost.

Among the findings from other studies on displacement which have dealt with earnings differences between the displaced workers' old and new jobs,⁶ are the following:

- Older workers and workers with less education are more likely to experience earnings losses.
- Because there are fewer job opportunities available, earnings losses are larger in areas of high unemployment and in small labor markets.
- Earnings losses are particularly large for workers displaced from well-paying unionized industries such as autos and industrial chemicals.

A special assessment of Department of Labor funded programs in six local areas that provided training and other services to displaced workers in 1982-83, found that for the program participants who were reemployed, the average wages at their new jobs had dropped substantially from their pre-layoff wages: The mean hourly wage at the new jobs was in the \$7 or \$8 range, while the mean wage at layoff ranged from approximately \$9 to \$11 an hour.⁷ And in addition to the losses in wages, there were obviously some

losses of fringe benefits relative to those enjoyed on the previous jobs.

A focus on steel and automobile workers

Much of the public discussion about workers' displacements in recent years has focused on the steel and auto industries. This is probably because any plant shutdowns or mass layoffs in these two industries have a particularly large impact on the geographic areas where they are concentrated, as well as a large multiplier effect on the other sectors of the economy. Moreover, the two industries were not only hard hit by the recessions of the early 1980's, but also had to retrench and alter their production methods because of foreign competition and other structural factors. These developments led to large reductions in employment, with the payrolls in both of these industries being considerably lower in January 1984—even after some rapid recovery from the latest recession—than they had been 5 years earlier. Specifically, over this 5-year period, employment had dropped by about 400,000 (or nearly one-third) in the primary metals industry and by about 200,000 (or one-fifth) in the motor vehicles industry. Of course, many other durable goods industries also underwent large reductions in employment over this period, but because their plants are generally not as concentrated in certain areas, nor as dominant in the local economies as are steel and automobile plants, their cutbacks received less nationwide publicity.

Steel workers. Of the 5.1 million displaced workers in January 1984, about 220,000 had worked in primary metals industries (largely steel). Forty percent of them reported they lost their jobs because their plants had closed down, and most of the others cited slack work as the reason for job loss. Reflecting the deep-seated problems of this industry and the generally depressed conditions of some of the areas where its plants are (or were) located, less than half (46 percent) of these displaced workers were working again in January 1984. Nearly 40 percent were still looking for work, while 16 percent were no longer in the labor force. Among those who had lost their jobs because of plant closings, almost one-fourth had left the labor force. Thus, the employment status of the workers displaced from primary metals jobs was far worse than that for the entire universe of displaced workers.

Not surprisingly, of the former steel (and other primary metals) workers who were again employed when surveyed, most had left the primary metals industry. Only 25,000 of them were working in durable-goods industries in January 1984. Of the others, some 20,000 were in services industries, 15,000 in construction, and another 15,000 in retail trade. Having had to find work in generally new fields, the displaced workers who had previously held jobs in primary metals industries reported a larger decline in earnings at their new jobs (40 percent) than workers from any other industry group. As already indicated, median earnings of

Table 8. Displaced workers¹ by weeks without work, age, and employment status, January 1984

Characteristic	Weeks without work					
	Less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 to 52 weeks	More than 52 weeks	Median weeks without work
Total:						
Age 20 and over	1,173	912	707	983	1,211	24.1
25 to 54 years	856	729	538	745	871	23.1
25 to 34 years	399	347	214	349	359	21.9
35 to 44 years	268	228	200	220	278	22.3
45 to 54 years	189	154	125	177	234	25.8
55 years and over	203	109	122	179	302	29.8
Employed:						
Age 20 and over	910	657	453	590	393	13.1
25 to 54 years	705	540	364	486	334	13.4
25 to 34 years	322	252	147	222	129	12.5
35 to 44 years	223	185	134	150	130	15.4
45 to 54 years	160	103	83	114	74	15.3
55 years and over	119	65	52	63	41	12.4
Unemployed:						
Age 20 and over	166	201	201	264	447	32.2
25 to 54 years	124	156	142	185	348	32.6
25 to 34 years	64	75	57	81	153	33.8
35 to 44 years	40	37	50	57	106	30.9
45 to 54 years	21	43	35	46	90	32.5
55 years and over	25	31	50	65	88	33.3
Not in the labor force:						
Age 20 and over	98	55	53	130	370	56.8
25 to 54 years	27	34	33	74	189	57.6
25 to 34 years	14	20	10	46	77	53.0
35 to 44 years	6	7	17	13	42	54.7
45 to 54 years	8	7	7	16	69	96.2
55 years and over	59	14	19	51	173	61.2

¹"Displaced" refers to persons whose jobs were lost because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

Table 9. Workers who lost jobs in past 5 years¹ by duration of joblessness, receipt of unemployment insurance, whether benefits exhausted, weeks without work, and employment status, January 1984

[Numbers in thousands]

Weeks without work and employment status	Lost a job in last 5 years			Plant or company closed down or moved			All other reasons		
	Total	Received unemployment benefits	Exhausted benefits	Total	Received unemployment benefits	Exhausted benefits	Total	Received unemployment benefits	Exhausted benefits
Both sexes:									
All persons:									
Total ¹	5,091	3,497	1,670	2,492	1,589	755	2,599	1,908	915
Less than 5 weeks	1,173	298	44	665	144	21	508	155	23
5 to 14 weeks	912	687	59	419	297	19	494	391	40
15 to 26 weeks	707	604	165	325	270	63	381	334	102
27 to 51 weeks	656	583	316	309	270	157	347	313	160
52 weeks or more	1,538	1,273	1,064	724	584	482	814	689	582
Employed:									
Total	3,058	1,973	802	1,547	904	357	1,512	1,068	445
Less than 5 weeks	910	182	18	546	98	8	364	84	9
5 to 14 weeks	657	499	44	313	225	16	343	274	28
15 to 26 weeks	453	389	111	204	171	43	249	218	69
27 to 51 weeks	368	342	182	190	169	98	178	172	84
52 weeks or more	615	533	436	269	228	186	346	305	251
Unemployed:									
Total	1,299	1,043	541	509	390	203	791	653	338
Less than 5 weeks	166	69	9	61	15	2	105	54	7
5 to 14 weeks	201	167	11	75	59	3	126	108	8
15 to 26 weeks	201	174	38	88	75	12	113	99	26
27 to 51 weeks	199	176	93	72	64	34	127	112	59
52 weeks or more	512	447	387	206	174	151	306	273	236
Not in the labor force:									
Total	733	481	327	437	294	195	296	187	132
Less than 5 weeks	98	48	17	58	30	10	40	18	7
5 to 14 weeks	55	22	3	30	13	—	24	9	3
15 to 26 weeks	53	40	16	33	24	8	20	17	8
27 to 51 weeks	89	65	41	47	37	25	42	28	16
52 weeks or more	411	294	241	249	182	145	162	112	96

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the

abolishment of their positions or shifts.

these reemployed workers were \$246 at their new jobs versus \$407 at their old ones. Such earnings losses must have caused substantial changes in the consumption pattern of these workers and their families.

Automobile workers. About 225,000 auto workers had been displaced from their jobs during the January 1979–January 1984 survey period. Of these, 44 percent reported they had lost their jobs because their plants had closed, while 46 percent reported slack work as the reason for job loss. Reflecting partly the fact that the industry had enjoyed a substantial recovery by January 1984, nearly two-thirds of these workers were again employed when surveyed. However, while some automobile workers had gone back to their former jobs, many others had apparently switched to different—and generally lower paying—jobs in other industries. As indicated above, for all those who were reemployed, the median weekly earnings for the jobs they held in January 1984 were substantially lower than the median for the auto industry jobs they had lost.

It is also important to note that 25 percent of the displaced auto workers were still looking for work in January 1984 and that 13 percent had left the labor force. For those who lost their jobs because their plant closed, the proportions unemployed or out of the labor force in January 1984 were even a bit higher.

Of course, an additional number of automobile workers were recalled to their jobs during 1984. Employment in the motor vehicles and equipment industry increased from about 850,000 (seasonally adjusted) in January 1984 to about 900,000 by the year's end. So, the displacement problem in this industry was likely to have been alleviated considerably during the year following the survey.

Other studies of displaced workers

In addition to the data from the January 1984 survey, special case studies evaluating the effectiveness of Department of Labor programs for displaced workers, particularly displaced auto and steel workers, are another valuable source of information on this topic.

In order to obtain information on the effectiveness of various types of assistance which might be provided to displaced workers, the Department of Labor funded a series of pilot projects in 1980–83. One project, the Downriver Community Conference Economic Readjustment Program, served laid-off automotive workers from the Detroit metropolitan area.⁸ Among the findings from this demonstration study are the following:

1. The displaced workers were predominantly men, aged 25 to 44, and married. Most had graduated from high school; however, when tested in the program, one-fifth scored below

a sixth grade literacy level. They had, on average, worked more than 10 years on the lost job—and they had earned about \$10 an hour.

2. Depending upon the particular plant from which they had been laid off, the workers were found to have received either unemployment insurance benefits, or unemployment insurance coupled with company-funded supplemental unemployment benefits, or, in some cases, both of these benefits as well as trade adjustment assistance, which was paid to those whose jobs were deemed to have been lost because of imports. Therefore, some of the workers had their pre-layoff earnings almost entirely replaced by benefits, at least for a time.

3. Although resources were made available to the workers for job search and relocation outside their area, only 8 percent of the program enrollees relocated. About 20 percent of those who relocated subsequently returned.

4. Two years after the job loss, only about 50 percent of the workers in the program had found another job. The

reemployment rate declined the longer the workers remained in the program, and this reflected in part the worsening labor market conditions in the Detroit area during that particular period.

5. On average, the earnings of participants who became reemployed were more than 30 percent below their pre-layoff earnings.

The Department of Labor had also funded a pilot program in Buffalo, New York (among other sites), the aim of which was to assist displaced workers, largely from auto and steel jobs. In this demonstration, it was found that the reemployed workers were placed in jobs paying a mean wage of about \$6.50 an hour, a decline from a mean pre-layoff hourly wage of more than \$10 an hour. The program participants were primarily men, between their mid-20's and mid-40's, most with a high school education. Nearly 70 percent of the participants were reemployed at the time of the project's termination, with the younger workers being slightly more likely to be placed in jobs than were the others.⁹

Some additional data on displaced workers are available from a sample of 379 workers from a population of about 11,000 workers on indefinite layoff from a major automobile manufacturer in April 1983.¹⁰ The survey, which was funded by the Department of Commerce, was conducted by the University of Michigan from November 1983 to January 1984. Among the findings are the following:

- Auto workers who were recalled to jobs with their previous employer reported a mean hourly wage of \$12.26, with a weekly gross pay of \$490.42. In contrast, the other reemployed workers cited a mean hourly wage of \$7.42 and an average weekly gross pay of \$314.70.
- Of the 379 respondents, 30 percent had been recalled to their old jobs at the time of the survey, 25 percent were employed elsewhere, about 35 percent were looking for work, and 10 percent were no longer in the labor force.
- Compensation payments (for example, unemployment insurance and trade adjustment assistance benefits) had covered, on average, about 30 percent of the displaced workers' income loss since they had been laid off. The proportion of lost income offset by such benefits was lower the longer the layoff period, dropping from about 55 percent for workers laid off less than 1 year to about 13 percent for those laid off more than 2 years.
- Workers with more than 10 years' seniority at their old jobs had received benefits that replaced larger proportions of their lost wages. However, these workers also reported relatively lower earnings when they were reemployed.

Summary

The two recessions of the early 1980's, coupled with more deep-seated structural problems affecting certain industries, took a heavy toll among American workers. About 5.1 million who had worked at least 3 years on their jobs found

Table 10. Displaced workers by health insurance coverage and employment status, January 1984

(Numbers in thousands)

Characteristic	Total ¹	Covered by group health insurance on lost job		Not covered on lost job	
		Total	Not covered under any plan in January 1984		
			Number		Percent
Total					
Total, 20 years and over	5,091	3,977	1,381	34.7	1,033
Employed	3,058	2,454	573	23.4	554
Unemployed	1,299	1,037	612	59.0	236
Not in the labor force	733	486	196	40.3	242
Men					
Total, 20 years and over	3,328	2,757	985	35.7	507
Employed	2,117	1,780	413	23.2	301
Unemployed	903	743	469	63.1	139
Not in the labor force	307	235	102	43.6	67
Women					
Total, 20 years and over	1,763	1,220	396	32.4	526
Employed	941	675	160	23.7	253
Unemployed	396	294	142	48.4	98
Not in the labor force	426	251	93	37.2	175
White					
Total, 20 years and over	4,397	3,433	1,118	32.6	902
Employed	2,754	2,203	516	23.4	509
Unemployed	1,031	822	452	55.0	192
Not in the labor force	613	408	150	36.7	201
Black					
Total, 20 years and over	602	468	239	51.0	117
Employed	252	208	50	23.9	38
Unemployed	247	193	144	74.5	44
Not in the labor force	103	67	45	66.7	34
Hispanic origin					
Total, 20 years and over	282	193	66	34.2	83
Employed	147	111	29	25.6	32
Unemployed	95	60	33	55.5	33
Not in the labor force	40	22	5	20.5	17

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

Table 11. Displaced full-time workers by industry, by reemployment in January 1984, and by comparison of earnings between new and old jobs

[In thousands]

Industry of lost job	Total reemployed January 1984	Part-time job	Full-time wage and salary job					Self employment or other full-time job
			Total ¹	Earnings relative to those of lost job				
				20 percent or more below	Below, but within 20 percent	Equal or above, but within 20 percent	20 percent or more above	
Displaced after 3 years or more on job ²	2,841	357	2,266	621	320	571	533	218
Construction	253	26	199	48	30	47	61	28
Manufacturing	1,418	151	1,200	366	171	286	247	67
Durable goods	954	106	797	281	102	181	155	51
Primary metals industries	98	14	77	40	5	22	5	7
Steel ³	78	14	59	33	3	14	5	4
Other primary metals	20	—	18	7	2	9	—	2
Fabricated metal products	102	12	81	30	6	21	16	9
Machinery, except electrical	244	17	215	77	34	39	40	12
Electrical machinery	94	10	84	26	12	14	22	—
Transportation equipment	219	30	174	66	22	42	34	14
Automobiles	141	19	115	43	16	21	26	7
Other transportation equipment	77	11	59	23	6	21	8	7
Nondurable goods	464	45	403	85	69	105	92	16
Transportation and public utilities	191	15	154	40	22	44	27	22
Wholesale and retail trade	399	72	296	61	41	79	85	31
Finance and service industries	378	58	270	59	35	83	74	50
Public administration	48	4	42	11	5	7	18	2
Other industries ⁴	153	31	104	36	16	24	22	18

¹Includes 221,000 persons who did not report earnings on lost job.

²Data refer to persons who lost or left a full-time wage and salary job between January 1979 and January 1984 because of plant closings or moves, slack work, or abolishment of their positions or shifts.

³Includes blast furnaces, steelworks, rolling and finishing mills, and iron and steel foundries.

⁴Includes a small number who did not report industry.

Table 12. Reemployed workers by occupation in January 1984 and by occupation of job lost in preceding 5 years

[Numbers in thousands]

Occupation on job lost	Occupation on job held in January 1984											
	Total employed	Managerial and professional specialty		Technical, sales, and administrative support			Service occupations	Precision production, craft, and repair	Operators, fabricators, and laborers			Farming, forestry, and fishing
		Executive, administrative, and managerial	Professional specialty	Technicians and related support	Sales occupations	Administrative support, including clerical			Machine operators, assemblers, and inspectors	Transportation and material moving occupations	Handlers, equipment cleaners, helpers, and laborers	
Total, 20 years and over	3,058	282	194	73	359	364	320	621	387	223	183	52
Managerial and professional specialty	525	153	116	16	62	79	31	38	11	11	6	2
Executive, administrative, and managerial	336	141	26	10	43	57	12	27	7	7	3	2
Professional specialty	189	12	91	6	18	22	19	11	4	4	3	—
Technical, sales, and administrative support	704	70	38	41	197	188	56	50	27	19	16	3
Technicians and related support	83	3	10	39	4	4	6	6	6	1	6	—
Sales occupations	312	34	15	—	159	27	18	30	10	11	6	2
Administrative support, including clerical	309	34	13	2	34	157	32	14	11	7	4	1
Service occupations	140	1	6	2	10	8	81	18	4	5	5	—
Precision production, craft, and repair	642	33	19	4	28	25	35	359	64	27	40	9
Operators, fabricators, and laborers	995	18	14	10	58	64	118	145	277	159	107	26
Machine operators, assemblers, and inspectors	640	6	10	8	37	44	94	98	248	35	50	9
Transportation and material moving occupations	207	4	2	1	14	7	6	19	12	107	24	9
Handlers, equipment cleaners, helpers, and laborers	148	7	2	1	8	13	16	28	16	16	33	8
Farming, forestry, and fishing	47	5	—	—	3	0	0	9	4	4	9	13

¹Data refer to persons with tenure of 3 years or more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the

abolishment of their positions or shifts.

themselves without employment over the 1979-83 period due to plant closings, payroll curtailments, or companies going out of business. In some cases, these job losses were only temporary, entailing little sacrifice in terms of unemployment and lost income. In many other cases, the readjustment to the job loss has been much more painful.

Some of the workers displaced from their jobs over this 5-year period had returned to work after a relatively short time, and their earnings when surveyed in January 1984 were as high or higher than they had been before the job loss. Many others had found different jobs, but frequently at much lower wages than in the jobs from which they had been displaced. About one-fourth were still unemployed when surveyed, though some may have been employed during part of the period since their displacement. Finally, about

15 percent had left the labor force.

Given the resiliency of the U.S. economy and the rapid advances which it posted during most of 1984, it is quite likely that many of the displaced who were still jobless in January 1984 were either recalled to their old jobs or managed to find new ones during the year. But even as the year came to a close, some industries—steel being a prime example—were still plagued by serious structural problems. This, in turn, was reflected by the still high jobless rates in some geographic areas where the displacement problem had taken a particularly large toll. For many of the workers displaced from long-held jobs in these areas, the prospects of reemployment were obviously not very bright—unless they were willing to relocate to new areas and to search in new fields. □

—FOOTNOTES—

¹One writer's rather typical description of displaced (or dislocated) workers reads: "Dislocated workers are individuals with established work histories who have lost their jobs through no fault of their own and who are likely to encounter considerable difficulty finding comparable employment. Such individuals are commonly thought to have lost their jobs because the industries or occupations in which they worked are in long-term decline. . . . However, while it may be conceptually appealing to distinguish between long-term and cyclical declines, as a practical matter such a distinction is not very meaningful when cyclical declines last several years. Moreover, an industry may be growing overall but declining in particular geographic or subindustry segments." Quoted from Lynn E. Browne, "Structural Change and Dislocated Workers," *New England Economic Review*, January-February 1985, p. 21. Also see reports on topic by Marc Bendick and Steven Sheingold.

²"BLS Reports on Displaced Workers," U.S. Department of Labor, Bureau of Labor Statistics, Press Release, Nov. 30, 1984.

³Richard P. Swigart, ed., *Managing Plant Closings and Occupational Readjustments: An Employer's Guidebook* (National Center on Occupational Readjustment, Inc., 1984), p. 48. Also see Walter Corson, Rebecca Maynard, and Jack Wichita, *Process and Implementation Issues in the Design and Conduct of Programs to Aid the Reemployment of Dislocated Workers* (Mathematica Policy Research, Inc., October 1984), p. 79.

⁴Swigart, *Managing Plant Closings*, p. 49.

⁵S.E. Berki, Leon Wyszewianski, Richard Lichtenstein, and others, *Insurance Coverage of the Unemployed* (The Department of Medical Care Organization, School of Public Health, The University of Michigan, Jan. 15, 1985).

⁶Raymond Uhalde, "Job Displacement and Employment Security: A Workplace Perspective" in Kevin Hollenbeck, Frank C. Pratzner, and Howard Rosen, eds., *Displaced Workers: Implications for Educational and Training Institutions*, (Columbus, OH, The National Center for Research in Vocational Education, Ohio State University, 1984), pp. 24-27.

Uhalde refers to research, for example, by Arlene Holen, *Losses to Workers Displaced by Plant Closure or Layoff: A Survey of the Literature* (Alexandria, VA, The Public Research Institute, Center for Naval Analysis, November 1976); Louis Jacobson and Janet Thomason, *Earnings Loss Due to Displacement* (Alexandria, VA, The Public Research Institute, Center for Naval Analysis, August 1979); Glen Jenkins and Claude Montmarquette, "Estimating the Private and Social Opportunity Cost of Displaced Workers," *Review of Economics and Statistics*, August 1979, pp. 342-53; and Robert Crosslin, James Hanna, and David Stevens, *Economic Dislocation: Toward a Practical Conceptual Approach* (Carson City, NV, Employment Security Department, September 1983). Also see "Former Steelworkers' Income Falls by Half," *The New York Times*, Oct. 31, 1984.

⁷Corson, Maynard, and Wichita, *Process and Implementation Issues*, pp. 64, 81, and 83.

⁸Jane Kulik, D. Alton Smith and Ernst W. Stromsdorfer, *The Downriver Community Conference Economic Readjustment Program: Final Evaluation Report* (Abt Associates Inc., Sept. 30, 1984).

⁹L. M. Wright, Jr., *Case Study, Buffalo Worker Reemployment Center, Buffalo, New York* (CSR, Incorporated, under subcontract to Mathematica Policy Research, January 1984), pp. 7, 8, and 50; Marcia C. Jerrett, Robert Jerrett, III, Jane Kulik, John Tilney, and Jeffrey Zornitsky, *Serving the Dislocated Worker: A Report on the Dislocated Worker Demonstration Program* (Abt Associates, Inc., December 31, 1983), pp. 28, 46, and 47; and William Corson, Sharon Long, and Rebecca Maynard, "An Impact Evaluation of the Buffalo Dislocated Worker Program (Mathematica Policy Research, Inc., March 12, 1985), pp. 38 and 116.

¹⁰Jeanne P. Gordus, Sean P. McAlinden, and Karen Yamakawa, *Labor Force Status, Program Participation and Economic Adjustment of Displaced Auto Workers* (Ann Arbor, MI, Industrial Development Division, Institute of Science and Technology, The University of Michigan, Nov. 15, 1984.)